



SO ORDERED.

SIGNED this 02 day of June, 2009.

**THIS ORDER HAS BEEN ENTERED ON THE DOCKET.
PLEASE SEE DOCKET FOR ENTRY DATE.**



Marcia Phillips Parsons
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE

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In re: :
: No. 2:09-bk-51245
NATCO, INC. :
Debtor. :
:-----X

**AGREED ORDER GRANTING MOTION FOR RELIEF FROM STAY FILED BY
TRAVELERS CASUALTY AND INSURANCE COMPANY OF AMERICA**

UPON CONSIDERATION of the Motion for Relief from Stay (the "Motion") filed by Travelers Casualty and Surety Company of America ("Travelers") and upon agreement of the Debtor and the U.S. Trustee; and the Court finding that cause exists pursuant to 11 U.S.C. § 362(d)(1) to grant the Travelers relief from the automatic stay it is:

ORDERED, that Travelers is granted relief from the automatic stay to the extent necessary to receive, negotiate, and disburse payments received by Travelers from project owners and other obligees on projects in relation to which Travelers issued surety bonds (the "Owner Payments"). The Owner Payments shall be used by Travelers to pay subcontractors and

suppliers providing labor and/or materials on the project on which the Owner Payment was received (“Approved Payments”). “Approved Payments” shall also include reimbursement to Travelers for any payments it has made or makes in advance of receipt of any Owner Payment to the extent Travelers’ payment would otherwise qualify as an Approved Payment. The parties acknowledge and this Court orders that the Automatic Stay be lifted as to these Owner Payments to the extent necessary to satisfy all Approved Payments on the bonded projects; and

ORDERED, that, based on agreement of Travelers, the Debtor, and the U.S. Trustee, Travelers shall disburse to Debtor from the Owner Payments on the project known as St. Tammany Administrative Complex Renovations (the “St. Tammany Project”) payment in the amount of \$42,363.93 to reimburse Debtor for its costs and expenses related to the St. Tammany Project (the “St. Tammany Overhead”) through April 18, 2009. After receipt of each subsequent Owner Payment on the St. Tammany Project, Travelers will disburse to Debtor an amount equal to the lesser of (i) Debtor’s actual St. Tammany Overhead for the period applicable to the payment application resulting in the Owner Payment received by Travelers for the same period or (ii) the remaining amount of the Owner Payment for the applicable period. Travelers shall not be obligated to reimburse Debtor for any St. Tammany Overhead that exceeds the remaining amount of any Owner Payment after payment of all Approved Payments. Travelers shall have the right to object to any portion of the St. Tammany Overhead based on the amount or the items included in the Debtor’s request. If the Debtor and Travelers cannot reach an agreement regarding any request for reimbursement for the St. Tammany Overhead, the parties may petition this Court for resolution of the dispute between the parties; and

ORDERED, upon completion of all of the bonded projects, Travelers will provide to Debtor and the U.S. Trustee an accounting of all Owner Payments received and all

disbursements made in relation to the Approved Payments and the St. Tammany Overhead. To the extent that the total Owner Payments exceed the total of the Approved Payments and the St. Tammany Overhead (the "Bonded Projects Profit"), the parties, including Bank of America, NA and Bank of Tennessee, fully reserve their rights and interests, if any, in said funds.

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APPROVED FOR ENTRY BY:

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/s/ Jeffrey S. Price

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